

ECONOMIC HIGHLIGHTS



The U.S. **unemployment rate** in May 2024 rose to 4.0%, up from 3.9% in April 2024 and 3.7% in May 2023. The unemployment rate in May 2024 was the highest rate since January 2022, although it was still lower than any time between January 2001 and December 2017. The May 2024 unemployment rate increased from May 2023 because more people entered the labor force (909,000) than found jobs (employment rose by 376,000), not because employment fell.

Labor productivity, as measured by output per hour in the nonfarm business sector, increased 0.4% in the first quarter of 2024 from the fourth quarter of 2023, at a seasonally adjusted annual rate. Compared to the first quarter of 2023, labor productivity was up 2.9%, the highest year-over-year increase since the first quarter of 2021.



Average weekly earnings rose in all sectors between May 2023 and May 2024, with the exception of the transportation equipment manufacturing sector, where average weekly earnings declined 0.1%. Two major sectors exhibited increases of more than 10%: construction (14.6%) and financial activities (10.3%). The year-over-year increases in average weekly earnings occurred despite **average weekly hours** falling in almost half the sectors. For example, average weekly hours in the financial activities sector fell 1.1%, but earnings rose 10.3%.

In Michigan, **building permits** for private housing units increased 27.9% in May 2024 from the May 2023 level, and on a year-to-date basis were up 8.4%, despite continued high mortgage interest rates. In contrast, permits nationally were down 5.1% in May 2024 from May 2023 while year-to-date permits were up 3.8%. In Michigan, building permits for single-family units in May 2024 were up 5.8% from May 2023, and up 20.7% on a year-to-date basis.

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Apr 2024	Mar 2024	Apr 2023	Change from Apr		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	167,732	167,982	166,823	(250)	(0.1%)	909	0.5%
Employment	161,083	161,491	160,707	(408)	(0.3)	376	0.2
Unemployment	6,649	6,491	6,116	158	2.4	533	8.7
Unemployment Rate	4.0%	3.9%	3.7%	--	--	--	--
Michigan	Apr 2024	Mar 2024	Apr 2023	Change from Apr		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	5,054	5,051	5,001	3	0.1%	53	1.1%
Employment	4,858	4,856	4,820	2	0.0	37	0.8
Unemployment	197	196	181	1	0.7	16	8.8
Unemployment Rate	3.9%	3.9%	3.6%	--	--	--	--

Source: Bureau of Labor Statistics, U.S. Department of Labor (Household Data)

Michigan Economic Indicators

MAY 2024



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	May 2024	Apr 2024	May 2023	Change from Mar		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,507	4,496	4,462	11	0.2	45	1.0%
Goods Producing Industries	821	823	814	(2)	(0.2)	7	0.8
Mining and Logging	7	7	7	0	0.0	0	0.0
Construction	204	204	189	(0)	(0.1)	16	8.2
Manufacturing	609	611	618	(2)	(0.3)	(9)	(1.4)
Transportation Equipment*	184	184	189	(0)	(0.2)	(5)	(2.8)
Service Producing Industries	3,686	3,673	3,648	13	0.4	38	1.0
Trade, Transportation & Utilities	822	820	813	2	0.2	9	1.1
Wholesale Trade	182	182	178	0	0.2	4	2.1
Retail Trade	458	457	457	0	0.1	1	0.2
Transportation & Utilities	183	181	178	1	0.7	4	2.4
Information	58	58	58	0	0.5	0	0.0
Financial Activities	227	226	231	1	0.5	(4)	(1.6)
Professional & Business Services	650	650	661	0	0.0	(11)	(1.7)
Education & Health Services	704	702	686	3	0.4	18	2.6
Leisure & Hospitality Services	431	428	426	4	0.8	6	1.4
Other Services	170	170	170	0	0.0	0	0.0
Government	624	620	604	3	0.5	20	3.3

* Not seasonally adjusted

Source: Bureau of Labor Statistics, U.S. Department of Labor (Establishment Data)

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS (Not seasonally adjusted)						
Industry	Average Weekly Hours			Average Weekly Earnings		
	May 2024	Year Ago	Percent Change	May 2024	Year Ago	Percent Change
Construction	41.8	40.7	2.7	1,536.99	1,341.47	14.6%
Manufacturing	40.1	40.5	(1.0)	1,099.54	1,065.96	3.2
Durable Goods	40.7	41.5	(1.9)	1,194.14	1,131.71	5.5
Transportation Equipment Mfg.	41.3	42.4	(2.6)	1,250.15	1,251.22	(0.1)
Motor Vehicle Parts Mfg.	40.3	40.4	(0.2)	1,115.91	1,117.06	(0.1)
Nondurable Goods	38.4	37.7	1.9	834.82	874.64	(4.6)
Wholesale Trade	38.9	38.8	0.3	1,225.74	1,198.53	2.3
Retail Trade	29.0	28.7	1.0	551.58	533.53	3.4
Information	36.1	35.5	1.7	1,442.20	1,334.45	8.1
Financial Activities	36.4	36.8	(1.1)	1,135.32	1,029.30	10.3
Professional & Business Services	34.2	35.2	(2.8)	1,082.09	1,031.36	4.9
Health Care & Social Assistance	31.6	32.1	(1.6)	849.41	827.22	2.7
Leisure & Hospitality	22.3	22.3	0.0	405.64	388.91	4.3
Accommodation & Food Services	22.7	22.6	0.4	411.78	392.56	4.9

Source: Bureau of Labor Statistics, U.S. Department of Labor



MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations)				
	May 2024	Apr 2024	Mar 2024	May 2023
Metropolitan Statistical Areas				
Ann Arbor	3.4%	3.0%	3.1%	3.5%
Battle Creek	4.4	4.3	4.4	4.4
Bay City	4.5	4.8	5.1	4.9
Detroit-Warren-Dearborn	4.3	3.5	3.6	3.4
Flint	4.7	4.9	4.9	4.9
Grand Rapids-Wyoming	3.2	3.0	3.1	3.3
Jackson	3.9	3.7	3.9	4.1
Kalamazoo-Portage	3.8	3.6	3.8	4.0
Lansing-East Lansing	3.9	3.4	3.5	3.7
Midland	3.9	3.9	4.1	4.0
Monroe	4.3	3.8	3.9	4.7
Muskegon	4.4	4.4	4.4	4.5
Niles-Benton Harbor	4.3	4.1	4.2	4.2
Saginaw	4.9	5.0	5.2	5.2
Multi-County Areas				
Northeast Lower Michigan	5.2	6.8	7.7	5.7
Northwest Lower Michigan	4.0	4.8	5.1	4.4
Upper Peninsula	4.8	5.8	6.0	5.2
Michigan Statewide Average (unadjusted - comparable to figures shown above)				
	4.1	3.8	3.9	3.8
Source: Michigan Department of Technology, Management, and Budget				

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Sales and Production in Thousands of Units, Seasonally Adjusted at Annual Rates)							
	May 2024	Apr 2024	Mar 2024	Feb 2024	Year Ago Apr	Percent Change From:	
						May/Apr	May 2024/ May 2023
Motor Vehicle Sales¹⁾							
Autos	3,059	3,000	2,936	2,952	3,165	2.0%	(3.3%)
Domestics	2,215	2,055	1,975	2,047	2,319	7.8	(4.5)
Imports	844	945	961	905	846	(10.7)	(0.2)
Import Share	27.6%	31.5%	32.7%	30.7%	26.7%	----	----
Light Trucks	12,866	12,836	12,545	12,647	12,354	0.2	4.1
Domestics	10,272	10,019	9,968	10,157	10,007	2.5	2.6
Imports	2,594	2,817	2,577	2,490	2,347	(7.9)	10.5
Import Share	20.2%	21.9%	20.5%	19.7%	19.0%	----	----
Subtotal: Light Vehicle Sales	15,925	15,836	15,481	15,599	15,519	0.6	2.6
Heavy Trucks	495	513	452	500	565	(3.5)	(12.4)
Total Vehicle Sales	16,420	16,349	15,933	16,099	16,084	0.4	2.1
U.S. Motor Vehicle Production¹⁾							
Autos	1,625	1,469	1,664	1,583	1,760	10.6	(7.7)
Michigan Motor Vehicle Production²⁾							
Autos	126	139	88	98	181	(9.2)	(30.0)
Trucks	2,057	2,004	1,738	1,846	2,008	2.7	2.4
Total	2,184	2,143	1,826	1,943	2,189	1.9	(0.2)
Michigan Production as % of U.S.	18.7%	17.7%	17.7%	17.2%	19.1%	----	----
Average Expenditure per Car¹⁾							
Overall	\$ 30,828	\$ 30,766	\$ 30,051	\$ 28,515	\$ 31,965	0.2	(3.6)
Domestic	\$ 27,111	\$ 26,597	\$ 26,630	\$ 26,078	\$ 28,444	1.9	(4.7)
Foreign	\$ 40,584	\$ 39,838	\$ 37,084	\$ 34,026	\$ 41,849	1.9	(3.0)
Inventory-to-Sales Ratio	1.248	1.420	1.502	1.462	0.723	(12.1)	72.6
Sources: 1) U.S. Department of Commerce, Bureau of Economic Analysis. 2) Michigan Department of Treasury, Office of Revenue and Tax Analysis and the Senate Fiscal Agency.							



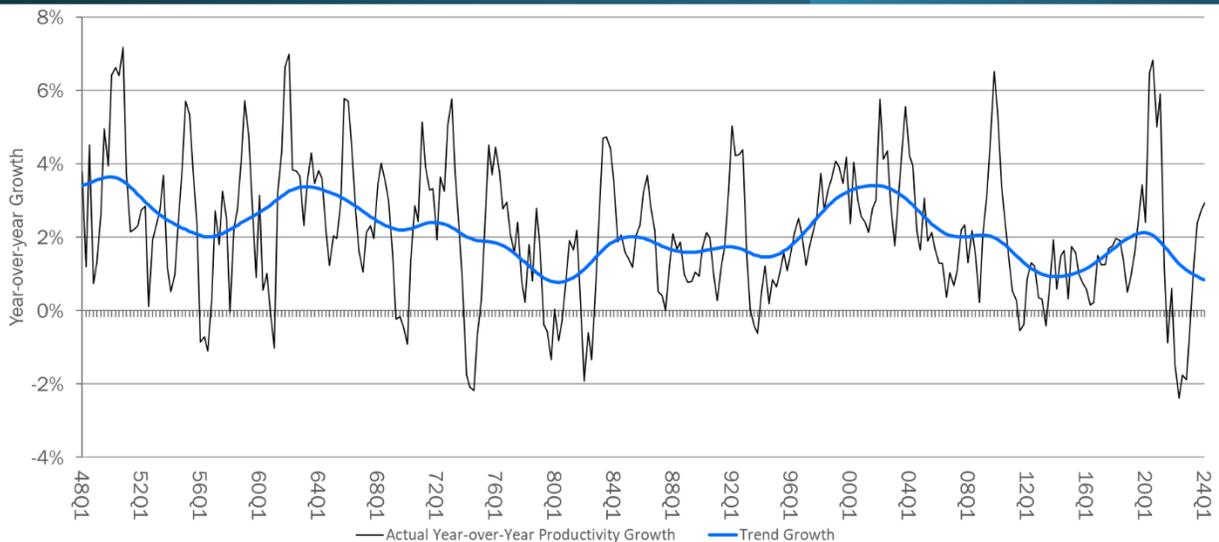
OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period ⁹⁾	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	May	69.1	77.2	59.0%	(10.5)	17.1%
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	May	\$80.02	\$85.35	\$71.58	(6.2)	11.8
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	May	1,314	1,377	1,583	(4.6)	(17.0)
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	May	\$609.9	\$608.5	\$596.7	0.2	2.2
Industrial Production Index ⁴⁾ (2007=100, seasonally adjusted)	May	103.3	102.4	103.0	0.9	0.3
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	May	78.3	77.7	79.2	0.8	(1.1)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	May	313.2	313.2	303.4	0.1	3.3
Detroit (not seasonally adjusted)	Apr	292.3	284.5	282.5	17.8	3.5
Interest Rates						
3-month Treasury Bill ⁴⁾	May	5.46%	5.44%	5.31%	--	--
30-year Conventional Mortgage ⁶⁾	May	7.06%	6.99%	6.43%	--	--
Real Gross Domestic Product ⁷⁾ (billions of 2017 \$, SAAR, Chain-Weighted)	2024 1st Quarter	\$22,758.8	\$22,679.3	\$22,112.3	1.4	2.9
Michigan Tax Collections ⁸⁾ (12 major taxes, millions)	May	\$2,671.2	\$2,820.1	\$2,524.0	NM	5.8

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.

Sources: 1) University of Michigan Surveys of Consumers. 2) U.S. Energy Information Administration/Federal Reserve Bank of St. Louis. 3) U.S. Department of Commerce, Bureau of the Census. 4) Board of Governors of the Federal Reserve System. 5) U.S. Department of Labor, Bureau of Labor Statistics. The U.S. CPI is released monthly, while the Detroit CPI is released every two months, beginning in Feb. of each year. 6) Freddie Mac, Primary Mortgage Market Survey. 7) U.S. Department of Commerce, Bureau of Economic Analysis. 8) Michigan Department of Treasury and the Senate Fiscal Agency. 9) Percent changes from previous period for CPI and GDP at annual rate.

Labor Productivity Again Trending Downward

Output per Hour in the Non-farm Business Sector



Source: Bureau of Labor Statistics, U.S. Department of Labor.